

**Muscatine Power and Water**

**Water Utility**

**Operating Statements and Balance Sheets**

**February 2008**

**Muscatine Power and Water  
Water Utility**

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**Muscatine Power and Water - Water Utility**  
**Classification of Water Distribution**  
**Current Month - February 2008**

	<u>Budget</u> <u>Estimate</u>	<u>% Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>% Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	579,872	(0.6)	576,187	(3.2)	595,478
Power Plants	76,605	27.1	97,328	27.1	76,605
Residential	38,000	2.7	39,036	1.3	38,541
Commercial	<u>29,500</u>	<u>(4.6)</u>	<u>28,154</u>	<u>(3.4)</u>	<u>29,150</u>
Total Metered Customers	723,977	2.3	740,705	0.1	739,774
Rated Customers - Estimate	---	---	30	(11.8)	34
City Use, Line Loss, Cycle Billing	<u>43,439</u>	<u>2.3</u>	<u>44,442</u>	---	8,395
Total Water Pumped	<u>767,416</u>	<u>2.3</u>	<u>785,177</u>	<u>4.9</u>	<u>748,203</u>

**Calendar Year-to-Date**

	<u>Budget</u> <u>Estimate</u>	<u>% Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>% Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<b><u>Water Distribution - 1,000 Gallons</u></b>					
Contract Customers	1,223,167	(0.9)	1,212,124	(5.6)	1,284,128
Power Plants	168,948	21.7	205,585	21.7	168,947
Residential	79,000	(0.7)	78,435	(0.1)	78,510
Commercial	<u>60,500</u>	<u>(4.2)</u>	<u>57,980</u>	<u>(1.1)</u>	<u>58,621</u>
Total Metered Customers	1,531,615	1.5	1,554,124	(2.3)	1,590,206
Rated Customers - Estimate	---	---	60	(10.4)	67
City Use, Line Loss, Cycle Billing	<u>91,897</u>	<u>1.5</u>	<u>93,247</u>	---	283
Total Water Pumped	<u>1,623,512</u>	<u>1.5</u>	<u>1,647,431</u>	<u>3.6</u>	<u>1,590,556</u>

**Muscatine Power and Water - Water Utility**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Current Month - February 2008**

	<b>Budget</b>	<b>% Increase (Decrease)</b>	<b>This Year</b>	<b>% Increase (Decrease)</b>	<b>Last Year</b>
	<b>Estimate</b>	<b>From Budget</b>		<b>Fr. Last Yr.</b>	
<b><u>Sales of Water</u></b>					
Contract Customers	\$165,270	(0.4)	\$164,674	0.3	\$164,210
Power Plants	25,921	17.4	30,424	11.6	27,260
Residential	101,460	1.5	103,013	6.0	97,211
Commercial	31,418	(2.5)	30,630	2.4	29,910
Water Sales	<u>324,069</u>	1.4	<u>328,741</u>	3.2	<u>318,591</u>
<b><u>Other Revenue</u></b>					
Penalty Revenue	467	(16.9)	388	10.2	352
Merchandise & Job Sales-Net	433	(20.3)	345	56.8	220
Miscellaneous Revenue	631	(4.4)	603	13.8	530
Total Other Revenue	<u>1,531</u>	(12.7)	<u>1,336</u>	21.2	<u>1,102</u>
Operating Revenue	<u>325,600</u>	1.4	<u>330,077</u>	3.2	<u>319,693</u>
<b><u>Operating Expense</u></b>					
Operation	235,431	0.9	237,639	3.5	229,504
Maintenance	38,086	0.9	38,442	(12.7)	44,032
Depreciation	48,906	(4.1)	46,878	2.4	45,766
Total Operating Expense	<u>322,423</u>	0.2	<u>322,959</u>	1.1	<u>319,302</u>
Operating Income	3,177	---	7,118	---	391
Interest Income	<u>8,080</u>	(30.2)	<u>5,637</u>	(33.6)	<u>8,488</u>
<b>Net Income Before Capital Contributions</b>	<b>11,257</b>	<b>13.3</b>	<b>12,755</b>	<b>43.7</b>	<b>8,879</b>
Capital Contributions	---	---	---	---	---
<b>Change in Net Assets</b>	<b>11,257</b>	<b>13.3</b>	<b>12,755</b>	<b>43.7</b>	<b>8,879</b>
<b>Beginning Net Assets</b>	<u>12,302,315</u>		<u>12,277,478</u>		<u>11,963,938</u>
<b>Ending Net Assets</b>	<u>\$12,313,572</u>		<u>\$12,290,233</u>		<u>\$11,972,817</u>
Percent to Total Income	3.5		3.9		2.8

**Muscatine Power and Water - Water Utility**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Calendar Year-to-Date - February 2008**

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<b><u>Sales of Water</u></b>					
Contract Customers	\$339,340	(0.5)	\$337,670	(1.0)	\$340,982
Power Plants	54,201	15.3	62,503	10.0	56,807
Residential	206,010	0.3	206,612	5.5	195,891
Commercial	<u>63,968</u>	(2.7)	<u>62,265</u>	3.7	<u>60,015</u>
Water Sales	<u>663,519</u>	0.8	<u>669,050</u>	2.3	<u>653,695</u>
<b><u>Other Revenue</u></b>					
Penalty Revenue	933	(43.4)	528	11.9	472
Merchandise & Job Sales-Net	866	(62.7)	323	---	84
Miscellaneous Revenue	<u>1,262</u>	7.9	<u>1,362</u>	(51.3)	<u>2,799</u>
Total Other Revenue	<u>3,061</u>	(27.7)	<u>2,213</u>	(34.0)	<u>3,355</u>
Operating Revenue	<u>666,580</u>	0.7	<u>671,263</u>	2.2	<u>657,050</u>
<b><u>Operating Expense</u></b>					
Operation	479,610	0.5	481,924	2.0	472,663
Maintenance	79,852	37.0	109,393	34.6	81,298
Depreciation	<u>97,813</u>	(4.1)	<u>93,756</u>	2.4	<u>91,532</u>
Total Operating Expense	<u>657,275</u>	4.2	<u>685,073</u>	6.1	<u>645,493</u>
Operating Income (Loss)	9,305	---	(13,810)	---	11,557
Interest Income	<u>16,328</u>	(1.4)	<u>16,104</u>	(8.4)	<u>17,590</u>
<b>Income before Capital Contributions</b>	25,633	(91.1)	2,294	(92.1)	29,147
Capital Contributions	---	---	---	---	---
<b>Change in Net Assets</b>	25,633	(91.1)	2,294	(92.1)	29,147
<b>Beginning Net Assets</b>	<u>12,287,939</u>		<u>12,287,939</u>		<u>11,943,670</u>
<b>Ending Net Assets</b>	<u>\$12,313,572</u>		<u>\$12,290,233</u>		<u>\$11,972,817</u>
Percent to Total Income	3.8		0.3		4.4

**Muscatine Power and Water - Water Utility**  
**Balance Sheets**  
**February 2008**

**ASSETS**

	<u>2008</u>	<u>2007</u>
<b>Current Assets:</b>		
Cash	439,832	631,558
Investments	1,624,347	1,337,421
Receivables:		
Consumer Accounts	404,049	379,470
Interest	15,554	28,900
Inventories	237,440	211,997
Prepaid Expenses	<u>21,498</u>	<u>24,309</u>
	<u>2,742,720</u>	<u>2,613,655</u>
<b>Property and Equipment:</b>		
At Cost	20,655,719	20,012,328
Less Accumulated Depreciation	<u>8,400,290</u>	<u>7,987,826</u>
	<u>12,255,429</u>	<u>12,024,502</u>
<b>TOTAL ASSETS</b>	<u><u>\$14,998,149</u></u>	<u><u>\$14,638,157</u></u>

**Muscatine Power and Water - Water Utility**  
**Balance Sheets**  
**February 2008**

**LIABILITIES AND NET ASSETS**

	<u>2008</u>	<u>2007</u>
<b>Current Liabilities:</b>		
Accounts Payable	\$134,099	\$113,563
Pension Provision	7,460	7,994
Health Insurance Provision	135,943	120,684
Intercompanies Payable	6,265	6,708
Consumer Advances for Construction	227,319	69,564
Accrued Payroll	25,535	17,795
Accrued Vacation	74,093	69,891
Miscellaneous Accrued Expenses	33,538	36,793
Miscellaneous Deferred Credits	<u>10,000</u>	<u>10,000</u>
 Total Current Liabilities	 <u>654,252</u>	 <u>452,992</u>
<b>Long-Term Liabilities:</b>		
Consumer Advances for Construction	<u>2,053,664</u>	<u>2,212,348</u>
 <b>Net Assets:</b>		
Invested in capital assets	9,974,446	9,742,590
Unrestricted	<u>2,315,787</u>	<u>2,230,227</u>
 Total Net Assets	 <u>12,290,233</u>	 <u>11,972,817</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u><u>\$14,998,149</u></u>	 <u><u>\$14,638,157</u></u>

**Muscatine Power and Water - Water Utility**  
**Statements of Cash Flows**  
**February 2008**

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
<b>Cash flows from operating activities:</b>		
Cash received from:		
Water sales	\$330,574	\$667,839
Miscellaneous sources	2,417	6,106
Cash paid to/for:		
Suppliers	(118,304)	(449,270)
Employees payroll, taxes and benefits	<u>(137,171)</u>	<u>(286,861)</u>
Net cash flows from operating activities	<u>77,516</u>	<u>(62,186)</u>
<b>Cash flows from capital and related financing activities:</b>		
Capital expenditures, net	<u>(19,615)</u>	<u>(34,878)</u>
Net cash flows from capital and related financing activities	<u>(19,615)</u>	<u>(34,878)</u>
<b>Cash flows from investing activities:</b>		
Interest received on investments	1,906	2,557
Accrued interest purchased	---	---
Amortization/accretion of investments	2,049	4,374
Mark to market	<u>(2,049)</u>	<u>971</u>
Net cash flows from investing activities	<u>1,906</u>	<u>7,902</u>
Net increase (decrease) in cash and investments	<u>59,807</u>	<u>(89,162)</u>
Cash and investments at beginning of period	<u>2,004,372</u>	<u>2,153,341</u>
Cash and investments at end of period	<u><u>\$2,064,179</u></u>	<u><u>\$2,064,179</u></u>

**Muscatine Power and Water - Water Utility**  
**Statements of Cash Flows**  
**February 2008**

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$7,118	(\$13,810)
Noncash item in operating income:		
Depreciation of utility plant	46,878	93,756
Changes in assets and liabilities:		
Consumer accounts receivable	3,341	3,568
Inventories	807	(9,973)
Prepaid and deferred expenses	1,428	(7,082)
Accounts payable	9,048	(108,994)
Pension provision	3,730	7,460
Health insurance provision	(4,093)	310
Intercompany payable	(5,032)	(1,043)
Consumer advances for construction	---	---
Accrued payroll	4,029	(35,542)
Accrued vacation	3,350	8,297
Miscellaneous accrued expenses	<u>6,912</u>	<u>867</u>
Net cash flows from operating activities	<u>\$77,516</u>	<u>(\$62,186)</u>

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Current Month - February 2008**

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>
<b><u>Source of Supply</u></b>			
Operation Supervision	\$1,978	\$2,183	\$2,048
Operation Labor and Expenses	1,165	1,358	1,497
Miscellaneous Expense	50	646	---
Maintenance of Wells	---	---	---
Maintenance of Supply Mains	1,198	746	---
Depreciation	<u>4,587</u>	<u>4,587</u>	<u>4,580</u>
Total Source of Supply Expense	<u>8,978</u>	<u>2.8</u>	<u>9,520</u>
	<u>2.9</u>	<u>2.9</u>	<u>8,125</u>
	<u>2.5</u>		
<b><u>Pumping</u></b>			
Operation Supervision	2,257	2,541	2,367
Fuel or Power Purchased	70,400	65,257	64,759
Pumping Labor and Expenses	4,957	3,833	3,869
Miscellaneous Expense	380	306	491
Maintenance of Structures	1,559	341	129
Maintenance of Pumping Equipment	5,724	3,235	2,155
Depreciation	<u>3,696</u>	<u>3,675</u>	<u>3,536</u>
Total Pumping Expense	<u>88,973</u>	<u>27.3</u>	<u>79,188</u>
	<u>24.0</u>	<u>24.0</u>	<u>77,306</u>
	<u>24.2</u>		
<b><u>Water Treatment</u></b>			
Operation Supervision	2,517	2,656	2,461
Chemicals	14,167	12,762	14,076
Operation Labor and Expenses	11,321	12,292	10,966
Miscellaneous Expense	683	550	976
Maintenance of Structures	361	2,315	1,368
Maintenance of Purification Equip.	2,307	8,771	1,178
Depreciation	<u>2,340</u>	<u>2,340</u>	<u>2,324</u>
Total Water Treatment Expense	<u>33,696</u>	<u>10.3</u>	<u>41,686</u>
	<u>12.6</u>	<u>12.6</u>	<u>33,349</u>
	<u>10.4</u>		
<b><u>Distribution</u></b>			
Operation Supervision	2,401	2,349	2,464
Storage Facilities Expense	1,244	2,065	1,018
Trans. & Distr. Lines Expense	3,179	7,730	2,374
Meter Expense	9,337	10,390	10,058
Consumer Installation Expense	4,147	1,815	3,696
Miscellaneous Expense	4,245	5,829	6,348
Vehicle Expense	3,096	4,600	3,445
Maintenance:			
Supervision	4,197	3,674	3,967
Structures	169	534	36
Reservoirs and Standpipes	169	11	12
Mains	10,488	5,398	28,772
Valves	6,171	6,236	700
Meters	1,182	2,421	515
Hydrants	1,464	1,056	501
Miscellaneous Plant	1,929	2,281	2,964
Vacation, Holiday, Sick Leave	8,491	9,221	8,856
Depreciation	<u>26,376</u>	<u>26,430</u>	<u>25,338</u>
Total Distribution Expense	<u>\$88,285</u>	<u>27.1</u>	<u>\$92,040</u>
	<u>27.9</u>	<u>27.9</u>	<u>\$101,064</u>
	<u>31.6</u>		

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - February 2008**

<u>Source of Supply</u>	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>
Operation Supervision	\$3,898	\$4,424	\$4,353
Operation Labor and Expenses	2,330	2,513	2,745
Miscellaneous Expense	100	1,556	---
Maintenance of Wells	---	21,189	---
Maintenance of Supply Mains	2,395	2,410	4,385
Depreciation	<u>9,174</u>	<u>9,174</u>	<u>9,160</u>
 Total Source of Supply Expense	<u>17,897</u>	2.7	<u>41,266</u> 6.1
 <u>Pumping</u>			
Operation Supervision	4,533	5,188	4,998
Fuel or Power Purchased	143,600	133,447	135,340
Pumping Labor and Expenses	9,739	9,279	8,640
Miscellaneous Expense	760	549	831
Maintenance of Structures	2,888	552	326
Maintenance of Pumping Equipment	11,698	14,266	6,421
Depreciation	<u>7,392</u>	<u>7,350</u>	<u>7,072</u>
 Total Pumping Expense	<u>180,610</u>	27.1	<u>170,631</u> 25.4
 <u>Water Treatment</u>			
Operation Supervision	5,033	5,419	5,207
Chemicals	28,333	26,193	29,429
Operation Labor and Expenses	23,469	23,929	24,559
Miscellaneous Expense	1,366	950	1,241
Maintenance of Structures	800	5,865	2,667
Maintenance of Purification Equip.	4,615	14,494	4,490
Depreciation	<u>4,681</u>	<u>4,680</u>	<u>4,648</u>
 Total Water Treatment Expense	<u>68,297</u>	10.2	<u>81,530</u> 12.1
 <u>Distribution</u>			
Operation Supervision	4,809	4,864	5,058
Storage Facilities Expense	2,627	3,528	2,270
Trans. & Distr. Lines Expense	5,905	12,186	5,880
Meter Expense	18,853	19,653	17,220
Consumer Installation Expense	8,262	4,628	6,104
Miscellaneous Expense	8,650	12,592	12,279
Vehicle Expense	6,193	9,746	6,638
Maintenance:			
Supervision	8,472	7,694	7,920
Structures	338	1,580	121
Reservoirs and Standpipes	338	34	149
Mains	23,750	12,776	31,035
Valves	12,071	12,213	12,635
Meters	2,463	3,406	2,098
Hydrants	2,928	4,140	902
Miscellaneous Plant	3,858	6,287	4,707
Vacation, Holiday, Sick Leave	20,961	22,740	23,645
Depreciation	<u>52,751</u>	<u>52,860</u>	<u>50,676</u>
 Total Distribution Expense	<u>\$183,229</u>	27.5	<u>\$190,927</u> 28.4
			<u>\$189,337</u> 28.8

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Current Month - February 2008**

	<u>Budget Est.</u>	<u>This Year</u>	<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>				
Customer Information Expense	\$2,344	0.7	\$1,463	0.4
	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>Consumer Accounts</u></b>				
Supervision	829	929	842	
Meter Reading Expense	3,139	3,251	3,638	
Consumer Records and Collection	10,759	9,851	10,143	
Uncollectible Accounts Expense	267	267	359	
Vacation, Holiday, Sick Leave	1,144	1,467	1,364	
	<hr/>	<hr/>	<hr/>	<hr/>
Total Consumer Accounts Expense	16,138	5.0	15,765	4.8
	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>Administrative and General</u></b>				
Administrative and General Salaries	13,150	12,583	11,574	
Office Supplies and Expenses	1,208	1,122	1,409	
Outside Services Employed	2,892	973	1,426	
Property Insurance	713	682	789	
Casualty Ins, Injuries & Damages	2,716	7,973	2,408	
Employee Pensions and Benefits	39,002	38,372	42,524	
Fringe Benefits Charged to Constr.	(4,075)	(760)	(1,614)	
Miscellaneous General Expense	8,838	4,153	5,617	
Rents	5,043	5,043	5,103	
Maintenance of General Plant	1,168	1,423	1,735	
Vacation, Holiday, Sick Leave	1,447	1,887	1,444	
Depreciation	11,907	9,846	9,988	
	<hr/>	<hr/>	<hr/>	<hr/>
Total Administrative and General	84,009	25.8	83,297	25.2
	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Expense	<u><u>\$322,423</u></u>	<u><u>\$322,959</u></u>	<u><u>\$319,302</u></u>	
Percent to Operating Revenue		99.0	97.8	99.9

**Muscatine Power and Water - Water Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - February 2008**

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>
<b><u>Customer Service Expense</u></b>					
Customer Information Expense	\$3,310	0.5	\$3,337	0.5	\$940
<b><u>Consumer Accounts</u></b>					
Supervision	1,658		1,890		1,769
Meter Reading Expense	6,387		6,437		7,093
Customer Records and Collection	21,790		22,390		20,311
Uncollectible Accounts Expense	533		535		718
Vacation, Holiday, Sick Leave	2,879		3,333		3,121
Total Consumer Accounts Expense	<u>33,247</u>	5.0	<u>34,585</u>	5.2	<u>33,012</u>
<b><u>Administrative and General</u></b>					
Administrative and General Salaries	26,961		26,353		24,676
Office Supplies and Expenses	2,675		2,936		3,347
Outside Services Employed	6,202		1,760		3,431
Property Insurance	1,426		1,365		1,577
Casualty Ins, Injuries & Damages	5,432		8,095		6,570
Employee Pensions and Benefits	79,671		78,286		82,968
Fringe Benefits Charged to Constr.	(7,328)		(2,001)		(3,893)
Miscellaneous General Expense	14,931		9,559		10,664
Rents	10,086		10,086		10,206
Maintenance of General Plant	3,238		2,487		3,442
Vacation, Holiday, Sick Leave	3,576		4,179		2,728
Depreciation	23,815		<u>19,692</u>		<u>19,976</u>
Total Administrative and General	<u>170,685</u>	25.6	<u>162,797</u>	24.3	<u>165,692</u>
Total Operating Expense	<u><u>\$657,275</u></u>		<u><u>\$685,073</u></u>		<u><u>\$645,493</u></u>
Percent to Operating Revenue		98.6		102.1	98.2

**Muscatine Power and Water - Water Utility**  
**Statistical Data**  
**Current Month - February 2008**

	<u>2008</u>		<u>2007</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.419	0.444	0.426	0.431
Cost Per 1,000 Gallons	<u>0.411</u>	<u>0.436</u>	<u>0.427</u>	<u>0.432</u>
Margin	<u>0.007</u>	<u>0.008</u>	<u>(0.001)</u>	<u>(0.001)</u>

	<u>2008</u>	<u>2007</u>
Maximum Daily Water Pumped (1,000 gallons)	32,452	30,276
Date of Maximum	02/09	02/05

**Calendar Year-to-Date**

	<u>2008</u>		<u>2007</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.406	0.430	0.411	0.411
Cost Per 1,000 Gallons	<u>0.416</u>	<u>0.441</u>	<u>0.406</u>	<u>0.406</u>
Margin	<u>(0.010)</u>	<u>(0.010)</u>	<u>0.005</u>	<u>0.005</u>

	<u>2008</u>	<u>2007</u>
Maximum Daily Water Pumped (1,000 gallons)	32,523	32,094
Date of Maximum	01/08	01/04

**Services**

Contract Customers	2	2
Power Plants	2	2
Residential	8,464	8,398
Commercial	<u>1,093</u>	<u>1,084</u>
Total	<u>9,561</u>	<u>9,486</u>